
A PUBLICATION OF THE NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

HEALTH BENEFIT COVERAGE OF CHILDREN UNTIL AGE 31 UNDER CHAPTER 375, P.L. 2005

State Health Benefits Program • School Employees' Health Benefits Program

COVERAGE FOR CHILDREN

Under the State Health Benefits Program (SHBP) or the School Employees' Health Benefits Program (SEHBP) an eligible "child" is defined as a subscriber's child under age 26. Health benefits coverage for children usually ends as of December 31 of the year in which the child turns age 26.

CHAPTER 375 CHILDREN

Under the provisions of Chapter 375, P.L. 2005, as amended by Chapter 38, P.L. 2008, certain over age children may be eligible for coverage until age 31.

This includes a child by blood or law who:

- is under the age of 31;
- unmarried;
- has no dependent(s) of his or her own;
- is a resident of New Jersey or is a full-time student at an accredited public or private institution of higher education; and
- is not provided coverage as a subscriber, insured, enrollee, or covered person under a group or individual health benefits plan, church plan, or entitled to benefits under Medicare.

ENROLLING IN CHAPTER 375 COVERAGE

A covered employee (from a SHBP or SEHBP participating employer) or retiree may enroll an over age child who is Chapter 375 eligible and 30 years of age or younger at the following times:

- if, within 60 days of coverage loss, the covered employee provides proof of loss of other group coverage (HIPAA) for the Chapter 375 eligible over age child with coverage effective the date that the prior coverage was terminated period. If the termination was due to the child attaining age 26 within the SHBP/SEHBP, proof of coverage loss is not required; or
- during the Open Enrollment period of each year (October) if the over age child meets the eligibility requirements of Chapter 375 as outlined above with coverage effective the following January 1.

REQUIRED DOCUMENTATION

A completed *Chapter 375 Application for Coverage*, a photocopy of the over age child's birth certificate, **and** a photocopy of the front page of the child's most recently filed federal tax return (*Form 1040*). You may black out all financial information and all but the last four digits of any Social Security numbers.

If the child resides outside of the State of New Jersey, documentation of full-time student status must be submitted.

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If applicable, documentation of the proof of loss of other coverage (HIPAA) is also required when enrolling for this extended coverage. If the over age child is adopted, a step child, or a legal ward, supporting documentation is required, if not already on file. For a description of the required documentation, see the Division of Pensions and Benefits Web site at: www.state.nj.us/treasury/pensions/health-benefits.shtml

PLAN SELECTION

Under Chapter 375, an over age child does not have any choice in the selection of benefits but is enrolled for coverage in exactly the same plan or plans (medical and/or prescription drug) that the covered parent has selected. There is no provision for eligibility for dental or vision benefits (see “A Note About COBRA Coverage” on page 3).

COVERAGE COSTS

When Chapter 375 coverage is elected the covered parent will be billed directly for the cost; therefore the covered parent is held responsible for the payment of the Chapter 375 coverage.

Chapter 375 Rate Charts showing the premium amounts for all health benefit plans are available from your employer, by contacting the Division of Pensions and Benefits, or over the Internet at: www.state.nj.us/treasury/pensions/health-benefits.shtml

Enrollment of over age children for coverage under Chapter 375 is voluntary. The provisions of Chapter 375 do not require an employer to pay all or any part of the cost of coverage for any election of this coverage.

WHEN COVERAGE ENDS

Coverage for an enrolled over age child will end when the child no longer meets any one of the eligibility requirements listed above, or when the covered parent's coverage ends (for example: termination of employment, divorce, or death of the covered parent). Coverage may also be terminated in the event of non-payment of the required premiums.

Chapter 375 coverage ends on the first of the month following the event or the date that makes the child ineligible. Coverage will be terminated in accordance with N.J.S.A. 52:14-17.33k if premiums are not received within 45 days of the payment due date. If the coverage was used and the premium(s) was not paid, the parent and Chapter 375 subscriber will be responsible for the additional monthly premiums. To terminate coverage, complete the *Chapter 375 Application* and check the box in section four. A letter signed by the covered parent is also acceptable.

NOTE: Written requests on the bill for termination **will not be accepted.**

The termination date is dependent upon the following:

- Timeliness of receipt of written request;
- Date of service of last paid claim; and
- Non-payment of premiums.

Terminations will not be retroactive unless the request is received within 30 days of the date requested and no claims have been paid for services after that date. Otherwise, the coverage will be terminated timely.

There is no provision for the continuation of group coverage under COBRA for a child due to the loss of Chapter 375 coverage. Nor is there any provision for conversion to non-group coverage.

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A NOTE ABOUT COBRA COVERAGE

The year in which your covered child turns age 26, you will receive a COBRA notification letter prior to the termination of the child's coverage, which is required by federal law. The notice outlines the right to purchase continued health coverage, gives the date coverage will end, and the period of time over which coverage may be extended (usually 36 months). Rates for Chapter 375 coverage and COBRA coverage can change annually, be sure to compare the rates prior to enrolling in either program. To see a cost comparison, go to the Division of Pensions and Benefits Web site at: www.state.nj.us/treasury/pensions/cobrav375.shtml

Chapter 375 does not cover vision and dental benefits. If your child wishes to obtain those coverages he or she must apply for them under COBRA.

ADDITIONAL INFORMATION

For a *Chapter 375 Rate Chart*, a *Chapter 375 Application for Coverage*, or if you have additional questions about Chapter 375 eligibility or coverage, see your employer's Benefits Administrator, or the Chapter 375 information at the Division of Pensions and Benefits Web site at: www.state.nj.us/treasury/pensions/health-benefits.shtml

If you need information concerning COBRA coverage, see Fact Sheet #30, *Continuation of Health Benefits Insurance Under COBRA*, available from your employer or the Web site listed above.

You may also contact the Division of Pensions and Benefits' Office of Client Services at (609) 292-7524, or e-mail the Division at: pensions.nj@treas.state.nj.us

This fact sheet has been produced and distributed by:

**New Jersey Division of Pensions and Benefits • PO Box 295 • Trenton, New Jersey 08625-0295
(609) 292-7524 • TDD for the hearing impaired (609) 292-7718**

URL: <http://www.state.nj.us/treasury/pensions> • E-mail: pensions.nj@treas.state.nj.us

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Although every attempt at accuracy is made, it cannot be guaranteed.